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SUBJECT: UNDP PREPARES TO LAUNCH NEW TIBET PROGRAM

¶1. (SBU) Summary: The United Nations Development Program (UNDP) hosted a Project Appraisal Committee (PAC) meeting in Beijing on June 1 to seek input from bilateral donors on its proposed USD 5 million Tibet Development and Poverty Alleviation Program that the UNDP plans to launch later this month. The UNDP is seeking bilateral donor support for the program, which will focus on developing Tibet's tourism and handicrafts sectors. It appeared from questions asked by donor representatives, however, that the program's deficiencies and vagueness will impede fund raising efforts. Concerns were voiced about the program's lack of coordination with existing efforts, lack of details on funding levels for specific projects, how to ensure that Tibetans are the primary beneficiaries, and the extent to which NGOs will be involved in project implementation. End Summary.

UNDP Prepares To Launch New Tibet Program

¶2. (SBU) The UNDP introduced its Tibet Development and Poverty Alleviation Program to bilateral donors and government officials from Tibet Autonomous Region (TAR) at a PAC meeting in Beijing on June 1. According to Wang Yue, Director General, China International Center for Economic and Technical Exchanges (CICETE), the program aims to accelerate development in the tourism sector through projects that are both environmentally-friendly and culturally-sensitive.

¶3. (SBU) The UNDP and CICETE, in cooperation with the TAR Government, plan to focus on five main objectives: 1) strengthening tourism for sustainability and poverty alleviation, 2) developing international trade and investment, 3) modernizing traditional artisan industry, 4) protecting and developing Old Lhasa City, and 5) establishing the Tibet Forum.

¶4. (SBU) Peter Zetterstrom, UNDP Project Officer, stated that the TAR's Department of Commerce (DOFCOM) would be the coordinating agency for the overall program, with the Tibet Tourism Board coordinating the tourism sector project, the Enterprise Management Bureau (DOAAH) as the lead agency for the handicrafts project, Lhasa Municipal Construction Bureau as the lead for Old Lhasa City, and DOFCOM handling both the trade and Tibet Forum projects.

Donors Voice Concerns

15. (SBU) According to Khalid Malik, UNDP Resident Representative, the UNDP has committed USD 2 million to the Tibet Development and Poverty Alleviation Program, and the Tibet Autonomous Region (TAR) has pledged an additional USD 1 million. Malik stated that the UNDP hopes to receive funding from the donor community to make up the final USD 2 million, or else the program would have to curtail some of its activities. He could not specify which activities would be affected.

16. (SBU) Donors from five different European countries as well as the EU Mission voiced a number of concerns about UNDP's proposal. One European diplomat questioned how much the UNDP's efforts would be combined with projects already on the ground in Tibet and how those projects would be coordinated. He also questioned how projects will benefit poor Tibetans rather than other ethnic groups. Another diplomat asked how the private sector would be leveraged to maximize returns on UNDP's initiative. And all of the donors present expressed concern about the capacity-building piece of the program and how it would be implemented effectively. Econoff and the EU rep both asked about the role of NGOs in the program and cited concerns that UNDP does not appear to have a plan of action for NGOs in project implementation. Finally, one diplomat asked how aid from bilateral donors would be used and if it could be earmarked for certain projects. The UNDP had no ready answers to any of these questions and plans for the project in general seemed vague. Nevertheless, Malik indicated that the project launch would go ahead as scheduled in three weeks.

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Comment

17. (SBU) UNDP's draft plan for the Tibet Development and Poverty Alleviation Program is not well-developed considering UNDP plans to launch the program in a few weeks. Reactions from other bilateral donor representatives at the meeting suggest that, in the program's current form, UNDP will face difficulties attracting funding support from other sources. End Comment.

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